

14 July 2004

LONDON STOCK EXCHANGE plc

TRADING STATEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2004

Unless otherwise stated, all figures referenced below refer to the three months ended 30 June 2004 and the corresponding period last year.

Turnover for the three months ended 30 June 2004 ("Q1") increased nine per cent to £63.7 million (2003: £58.7 million).

Issuer Services

Issuer Services' turnover decreased 11 per cent to £8.4 million from £9.4 million in the corresponding period last year. The decline in revenue reflects the impact of lower tariffs, effective from 1 April 2004, offset in part by an increase in the number of new issues on our Main Market.

There were 92 new issues on the Exchange's markets during the quarter (2003: 40) of which 16 were on the Main Market (2003: 10). AIM, our international market for smaller, growing companies, had a total of 76 new issues compared to 30 in the corresponding period last year. At 30 June 2004, a total of 2,722 companies were traded on our markets (2003: 2,727) including 846 on AIM (2003: 701).

Broker Services

Broker Services' turnover increased 15 per cent to £24.2 million (2003: £21.0 million). The total number of equity bargains increased 14 per cent to 15.3 million (2003: 13.4 million), a daily average of 250,000 (2003: 220,000).

Trading on SETS, the electronic order book, continued to be strong, up 22 per cent to 154,000 bargains per day (2003: 126,000). Growth in SETS volumes was in part attributable to trading on SETSmm, the electronic order book for FTSE 250 and other leading non order book securities launched in November 2003, which averaged 12,000 bargains per day during the quarter.

At £22,000, the average value of a SETS bargain was unchanged from the corresponding period last year (2003: £22,000). The daily average number of UK off book bargains was 51,000 (2003: 54,000). The daily average number of international bargains for the period was 45,000 (2003: 40,000).

During the quarter the Exchange launched its EUROSETS Dutch Trading Service, with approximately 40 firms utilising the service since go-live on 24 May 2004.

Information Services

Information Services' turnover was up four per cent to £26.7 million (2003: £25.6 million). Despite a further decline in the overall number of terminals receiving Exchange data on a real-time basis since Q1 last year, the increase in turnover reflects demand for the Exchange's range of information products. This included Proquote, our low cost financial markets software and real-time price data

company, FTSE, our joint venture with the Financial Times, and the launch of SEDOL Masterfile, the extension to the Exchange's previous securities identifier launched in March 2004.

At the end of Q1, the total number of terminals was 90,000 (31 March 2004: 90,000; 30 June 2003: 92,000) of which approximately 80,000 were attributable to the higher yield professional user base (31 March 2004: 80,000; 30 June 2003: 84,000).

RNS contributed £1.8 million (2003: £1.8 million) to turnover with over 90 companies in the FTSE 100 using RNS to release regulatory announcements. Turnover from FTSE was £3.6 million, up from £3.1 million in the corresponding period last year.

With over 2,100 installed screens (30 June 2003: 1,300), including the first tranche of a total of 500 screens contracted by TD Waterhouse in May 2004, Proquote continues to grow.

Derivatives Services

Derivatives Services, our newest division, contributed £2.0 million to turnover, with EDX London, launched 30 June 2003, contributing £1.9 million of the total. EDX London continued to make good progress with 5.1 million contracts traded (nine months ended 31 March 2004: 13.7 million).

Prospects

Commenting on the first quarter, Clara Furse, Chief Executive, said:

“The Exchange has started the year well with overall turnover growth of nine per cent reflecting in particular strong SETS volumes in April and May. We continue to invest in new initiatives to expand and diversify our business and believe the Exchange is well positioned for the future.”

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Summary Turnover - Three months ended 30 June 2004

Turnover	Three months ended		Year ended
	30 June		31 March
	2004	2003	2004
	£m	£m	£m
Continuing operations			
Issuer services	8.4	9.4	38.5
Broker services	24.2	21.0	94.1
Information services	26.7	25.6	101.0
Derivatives services	2.0	-	6.1
Other income	2.4	2.7	10.7
Gross turnover	63.7	58.7	250.4
Less: share of joint venture's turnover	(3.6)	(3.1)	(13.3)
Net turnover	60.1	55.6	237.1